

TO: THE EXECUTIVE
DATE: 18 DECEMBER 2017

GENERAL FUND REVENUE BUDGET 2018/19
(Chief Executive/Borough Treasurer)

1. PURPOSE OF REPORT

- 1.1 Under the Council's constitution, the Executive is required to consult on its detailed budget proposals with the Council's Overview & Scrutiny Commission and any other interested parties or individuals for a period of at least six weeks. This report summarises the current position on the Council's budget preparations for 2018/19 as a basis for that consultation.
- 1.2 At the time the agenda was published the Provisional Local Government Financial Settlement had not been announced and is not expected until late December 2017. It is possible that this could change some of the assumptions in the report, however, as the Council accepted in Autumn 2016 the offer of a four year financial settlement, it is anticipated that funding will be in line with the indicative figures received on 20 February 2017 (as part of the Final Local Government Finance Settlement 2017/18).
- 1.3 All comments received on these budget proposals will be submitted to the Executive on 13 February 2018. This will allow the Executive to determine its final budget package and recommend the appropriate Council Tax level to Council, which will formally approve the 2018/19 budget and Council Tax on 28 February 2018.

2 RECOMMENDATIONS

That the Executive:

- 2.1 **Agree the draft budget proposals for 2018/19 as the basis for consultation with the Overview & Scrutiny Commission and other interested parties or individuals.**
- 2.2 **Agree the Treasury Management Strategy and associated documents at Annex E and request that the Governance and Audit Committee review each of the key elements.**
- 2.3 **Agree that the 2018/19 Schools Budget be set at the eventual level of grant income plus any accumulated balances, with the Executive Member for Children, Young People and Learning authorised to make amendments and agree budgets for schools and services centrally managed by the Council.**
- 2.4 **Agree that the authority to set town centre car park charges is delegated to the Regeneration Committee.**
- 2.5 **Support the bid submitted by Bracknell Forest Council on behalf of the Berkshire Unitaries to DCLG to form a pilot business rates pool across the County, that would see a greater proportion of business rates collected being retained locally to support priority infrastructure projects.**

- 2.6 Approve the virements relating to the 2017/18 budget as set out in Annexes F and G and recommend those that are over £0.100m for approval by Council.**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The recommendations are designed to allow the Executive to consult on its draft budget proposals for 2018/19 as required by the Local Government Act 2003.

4 ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The range of options being considered is included in the report and its Annexes.

SUPPORTING INFORMATION

5 COMMITMENT BUDGET 2018/19 – 2020/21

- 5.1 Initial preparations for the 2018/19 budget have focussed on the Council's Commitment Budget for 2018/19 – 2020/21. This brings together the Council's existing expenditure plans, taking account of approved commitments and the ongoing effects of service developments and efficiencies that were agreed when the 2017/18 budget was set.

- 5.2 A number of changes are proposed to the Commitment Budget since it was last considered by the Executive in February and are reflected in the summary in Table 1. The most significant changes in 2018/19 are set out below:

- The impact of the transformation programme is now reflected (-£6.417m) including forecast savings from Adults (-£1.800m) and Children's Services (-£1.165m), the Commercial Property Investment Strategy (-£1.000m) and the Leisure Services Review (-£0.600m), which are at different stages of delivery.
- The one-off additional Adult Social Care grant received in 2017/18 has been removed (£0.363m).
- Additional funding for Adult Social Care, announced as part of the Government's March 2017 Budget, has now been incorporated (-£1.016m). This is supplementary funding to the improved Better Care Fund payable between 2017/18 and 2019/20.

The overall impact of these changes is to decrease the Council's Commitment Budget by £7.230m compared to the position reported in February.

- 5.3 Taking account of these changes, Table 1 summarises the position and shows that base expenditure (excluding schools) is planned to decrease by £5.188m to £83.153m next year, before consideration is given to allowances for inflation and the budget proposals identified by individual Departments in 2018/19. The commitment budget is shown in more detail in Annexe A.

Table 1: Summary Commitment Budget 2018/19-2020/21

	Planned Expenditure		
	2018/19 £000	2019/20 £000	2020/21 £000
Base Budget	88,341	83,153	80,305
<i>Movements in Year:</i>			
Adult Social Care, Health and Housing	-2,483	-1,185	509
Children, Young People and Learning (excluding schools)	-827	-580	10
Environment, Culture & Communities Resources	-2,471	-622	-401
Non Departmental / Council Wide	-591	-6	0
<i>Total Movements</i>	1,184	-455	417
	-5,188	-2,848	535
Adjusted Base	83,153	80,305	80,840

6 PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2018/19

- 6.1 The Council's budget is set within the context of a 4-year Local Government Funding Settlement (LGFS) published following the General Election in May 2015. As such, 2018/19 will be the third year of this agreement, and whilst the Council has relied on the published indicative figures there remains a risk that other funding streams provided by Central Government are potentially liable to change. These are noted below.
- 6.2 Alongside this 4-year settlement the Government announced plans to reform other key features of the local government finance system, including the move to 100% retention of Business Rates by 2020 (although this is now likely to be delayed), a major reduction in the funding available through the New Homes Bonus and the introduction of the Social Care Precept.
- 6.3 The estimates included in these budget projections assume that the indicative amounts published by the Department for Communities and Local Government (DCLG) will be adhered to. The Government will publish the first Autumn Budget on 22 November 2017, setting out the government's plans for the economy based on the latest forecasts from the Office for Budget Responsibility. Whilst this is unlikely to provide any further clarity at an individual council level it may update progress on reforms and a general direction for future public spending limits.
- 6.4 Funding from central government is currently received through Revenue Support Grant (RSG) and Specific Grants. For planning purposes an estimate of the reduction in central government support has been incorporated within these Budget Projections reflecting a further cut of £2.6m in RSG for 2018/19. These figures will be refined when the provisional LGFS is received, which as usual is expected to be published in December.

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6.5 The Council also receives substantial external funding through a number of specific grants for which the following assumptions have been included within the latest budget projections.

a) New Homes Bonus

In 2015/16 the Government consulted on a number of possible reforms to the New Homes Bonus to sharpen the incentive for housebuilding and provide £800m for Adult Social Care. The outcome of the consultation was announced alongside the Provisional LGFS for 2017/18. The Government decided to:

- reduce the number of years for which legacy payments are made from 6 years to 5 years in 2017/18 and then to 4 years from 2018/19 and
- set a national baseline for housing growth to sharpen the incentive for councils to deliver more new homes. The Government chose to set the initial baseline in 2017/18 at 0.4% below which the Bonus will not be paid. The Government also retained the option of making adjustments to the baseline in 2018/19 and future years in the event of significant and unexpected housing growth.

This has resulted in a significant net reduction in the funding received by Bracknell Forest from 2017/18 – approximately £3.9m was received in 2016/17 with an expected £1.9m in 2018/19. However the Government intend to further reform the incentive and have consulted on linking a reduction in the Bonus to the quality of decision making by planning authorities, as measured by the number of homes granted planning permission only on appeal. This approach would link Bonus allocations to the ratio of successful appeals to residential planning decisions over an annual period.

The reforms have yet to be exemplified so it is difficult to ascertain how the Council will be impacted until the provisional allocations and new regime is published alongside the Provisional Settlement in December. However, based on the information available it is not expected that these latest reforms will have a material impact on our already reduced allocation.

b) Education Services Grant

Education Services Grant, used to fund education support services which local authorities provide centrally to maintained schools but for the most part academies secured independently, has now been completely withdrawn. The £0.401m one-off grant received in 2016/17 to ease the transition has been removed in the Commitment Budget. However, the Council will be able to retain some of the schools block funding to cover the statutory duties carried out for maintained schools which were previously funded through ESG (approximately-£0.2m). In addition “retained” duties, which local authorities must deliver for both maintained and academy schools, will also be funded via the Schools Block element of the DSG (-£0.26m).

c) Other Specific Grants

Some of the largest specific grants received by the Council are the ring-fenced Public Health, NHS funding streams and Better Care Fund. Estimated improved better care funding included in the Final Settlement last year has been included in the budget proposals; - £0.062m is reflected in Table 5 with the additional funding for Adult Social Care announced as part of the national Spring 2017 Budget (-£1.016m) included in the Commitment Budget. The Government has confirmed that the ring-

fence on Public Health will be retained until 2019. It is likely that any further changes to the methodology and allocations to these specific grants will be implemented as part of the changes to the overall Local Government Funding System and the introduction of 100% Business Rates retention whenever this is announced.

- 6.6 A third important stream of income for the Council is Business Rates, a proportion of which is retained locally following the introduction of the Business Rates Retention reforms in April 2013. The level of Business Rates changes each year due to inflationary increases (set by central government), the impact of appeals and local growth or decline as local businesses and economic conditions expand or contract. The Government sets a baseline level of funding against which any growth or reduction is shared between local and central government.
- 6.7 The Government has announced that by 2020 (a date likely to slip), local government will be able to retain 100% of Business Rates, RSG will be phased out and local government will be expected to take on new responsibilities. The government has indicated a plan to abolish the Uniform Business Rate and give councils the power to cut Business Rates to boost economic activity in their areas, although the draft Local Government Finance Bill that contained those proposals is not currently part of legislative plans. Prior to this year's general election, the DCLG embarked on consultation regarding changes to the local government finance system to pave the way for the implementation of the 100% Business Rates retention. A number of groups were also set up to examine various aspects of the new scheme. Following the election, these discussions groups were put on hold. Although some meetings have now recommenced, this delay is expected to have an impact on the 2020 implementation date.
- 6.8 Currently the Council collects significantly more Business Rates than it is allowed to keep and only receives approximately a quarter of any Business Rates growth. It is known that any new system will include an assessment of need and that there will be a re-distribution of resources between authorities to reflect this. The Government has also stated that it will transfer more responsibilities to local authorities, to ensure that the new system is fiscally neutral across the public sector. All of these issues suggest that, until the finer details of the scheme are announced, any potential longer-term benefits of a new finance system need to be viewed with caution.
- 6.9 DCLG has published an invitation to local authorities to pilot 100% business rates retention in 2018/19. Leaders of all the Berkshire Unitary Authorities have supported a bid to establish a pilot business rates pool across the County, with Bracknell Forest Council designated as the lead authority. It is estimated that this could enable around £35m of additional funding to be secured for the area. The proposal is that around 70% of this would be provided to the LEP to undertake improvements in transport infrastructure that would help secure further economic and housing growth to benefit the County. The remainder would be allocated across the individual authorities in proportion to their actual growth in business rates income. No authority will be worse off financially than they would have been under the current funding arrangements. The Government timetable meant that authorities were unable to secure formal support prior to the bid being submitted and therefore the Executive is now requested to endorse it. It is expected that the announcement regarding the successful bids will be made alongside the Local Government Finance Settlement.
- 6.10 As well as the uncertainty surrounding the introduction of the 100% rates retention there has been considerable Business Rates volatility following the transfer of a large multi-national company on to the Council's valuation list in 2013/14. Initially this significantly increased the level of Business Rates collected locally but following a successful appeal the rateable value was reduced by 28% in 2016/17. A further

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appeal was lodged following the 2017 valuation which is still outstanding and the company has also applied to re-join the Central Rating List. As the timing and outcome of these events are uncertain, assumptions have had to be made in calculating future income levels. An unavoidable consequence of this has been significant volatility in the Collection Fund balance each year. A small surplus is currently forecast on the Business Rates element of the Collection Fund for 2017/18; however this is subject to change depending on the final impact of the town centre regeneration. This is in contrast to the significant one-off surplus for 2016/17 which was transferred into the Business Rates Equalisation Reserve in 2017/18 and has been reversed out of the budget proposals in Table 5 (£9.113m). A final projection will need to be made by the 31 January which will be incorporated into the February budget report.

- 6.11 At this stage, Business Rates income is forecast to grow in line with the Government's baseline assumptions plus additional growth resulting from the opening of the regenerated Town Centre. The 2017/18 budget assumed an additional -£0.750m of Business Rates from the Town Centre and the Commitment Budget currently assumes a further -£0.750m of income in 2018/19. Actual income will depend on the rateable values agreed for the let units, which have yet to be received from the Valuation Office, and how quickly the remaining units are let. It is hoped that this information will be available for the February report.
- 6.12 There is a risk that the Council could lose a significant proportion of the additional Business Rates income it receives over and above baseline funding when resources are redistributed under the 100% retention scheme. This is a consequence of Bracknell Forest having for many years been assessed as having significantly lower funding needs than most local authorities and there being no reason to believe this will change under a new funding system. Therefore, to reduce reliance on this additional income to balance the budget, a reduced sum will be taken to support the base budget and £0.250m will be transferred into the Business Rates Equalisation Reserve as part of the budget proposals.

7 COUNCIL TAX

- 7.1 Council Tax at present levels will generate total income of -£53.247m in 2018/19. An increase in the Council Tax Base arising from the occupation of new properties during 2018/19, is expected to contribute an additional -£0.871m. The Local Council Tax Benefit Support Scheme is treated as a discount i.e. a reduction in the calculation of the Council Tax Base. The latest information on the take-up of Council Tax support in the current year indicates that it will be less than that budgeted for in 2017/18; however the impact on Council Tax income in 2018/19 has still to be assessed. All these figures will be updated when the Council Tax Base is finalised during December.
- 7.2 The surplus/deficit on the Council Tax element of the Collection Fund in 2017/18 will need to be assessed by the 15 January 2018. This figure will impact on the 2018/19 budget and will be incorporated into the February budget report.
- 7.3 The Government limits Council Tax increases by requiring councils to hold a local referendum for any increases in excess of a threshold percentage which is normally included in the Local Government Financial Settlement. In 2017/18 a referendum was required for Council Tax increases of 2% or more. Early indications are that the same level will be set in 2018/19 but this will not be confirmed until the Provisional LGFS is received. As a council with Social Care responsibilities, it should also be possible for Council Tax to be raised by a further 3% in 2018/19 to support Social Care pressures

and the Council's Medium Term Financial Strategy. Each 1% increase in Council Tax would generate approximately -£0.54m of additional income.

- 7.3 The Executive at its meeting in February will recommend to Council the level of Council Tax in light of the Final Settlement, the results of the consultation and the final budget proposals.

8 BUDGET PROPOSALS 2018/19

Service Pressures and Developments

- 8.1 In the face of significant reductions in public expenditure in general and in grants to Local Government in particular the scope to invest in new service provision is severely restricted. Nevertheless, it is important to retain a clear focus to ensure that the Council continues to deliver its six strategic themes. In preparing the 2018/19 draft budget proposals each department has evaluated the potential pressures on its services and these are set out in Annex B. Table 2 summarises the pressures by department.

Table 2: Service Pressures/Development

Department	£'000
Adult Social Care, Health and Housing	2,633
Children, Young People and Learning (excluding schools)	1,357
Environment, Culture & Communities	521
Resources	602
Non Departmental / Council Wide	220
Total Pressures/Developments	5,333

- 8.2 Many of the pressures are simply unavoidable as they relate to current levels of demand or legislation changes. They do, however, also support the six strategic themes included in the new Council Plan in the following way:
- people have the life skills and education opportunities they need to thrive (£0.065m);
 - people live active and healthy lifestyles (£2.633m);
 - a clean, green, growing and sustainable place (0.221m);
 - strong, safe, supportive and self-reliant communities (£1.302m)
 - provide value for money (£0.577m).
- 8.3 Service pressures will be kept under review throughout the budget consultation period. There is always the risk in Social Care services in particular that the numbers of people requiring care packages, the content of existing care packages and contract inflation will vary considerably from the assumptions included in these draft budget proposals. Any revisions to service pressures will be reported to the Executive in February.
- 8.4 In addition to these revenue proposals the Council continues to invest in its priorities through targeted capital expenditure. Details are contained in the capital programme report, but the cost of funding all potential commitments arising from these various proposals is included in these draft budget proposals.

Service Economies

- 8.5 Members and officers have held regular meetings to determine options for savings and a list of potential draft budget savings has been developed, to supplement the Transformation savings included in the Commitment Budget. This list totals - £2.956m and is attached at Annexe C and summarised in Table 3. As in previous years, economies have focused as far as possible on increasing efficiency, income generation and reducing central and departmental support rather than on front line services. However, since it became a Unitary Authority the Council has successfully delivered savings of around £80m in total. As a result it is inevitable that there will be some impact on services, although this has been minimised.

Table 3: Summary Service Economies

Department	£'000
Adult Social Care, Health and Housing	-760
Children, Young People and Learning (excluding schools)	-421
Environment, Culture & Communities	-1,075
Resources	-477
Non Departmental / Council Wide	-202
Total Savings	-2,935

Significant Budget Decisions

- 8.6 Consideration and approval of the budget is a major policy decision. However, the budget, by its nature, includes a range of proposals, some of which in themselves represent important policy decisions. More details on each of the proposals are included in Annexe C.
- 8.7 As the budget report is a policy document and is subject to at least six weeks consultation, the identification of these issues within the budget report facilitates detailed consultation on a range of significant policy decisions.

Council Wide Issues

- 8.8 Apart from the specific budget proposals contained in Annexes B and C there are some Council wide issues affecting all departments' budgets which need to be considered. The precise impact of these corporate budgets is likely to change before the final budget proposals are recommended, however the current view on these issues is outlined in the following paragraphs.

a) Capital Programme

As outlined above, the scale of the Council's Capital Programme for 2018/19 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts, government grants, developer contributions or borrowing. The proposed Council Funded Capital Programme of £10.976m and externally funded (including self-funding schemes) programme of £19.780m for 2018/19 features in a separate report on tonight's agenda. After allowing for projected receipts of approximately £8m in 2018/19 and carry forwards, the additional revenue costs will be £0.040m in 2018/19 and £0.340m in 2019/20. These figures include on-going costs associated with the

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maintenance and support of IT capital purchases, which will help enable the Council's transformational change.

b) Interest and Investments

Now that the Council is no longer debt-free and is reliant on external borrowing to fund its capital investments, returns on surplus cash are likely to remain relatively low during 2018/19 and beyond.

As such the impact of interest rates on borrowing rates are of greater significance to the Council. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. In its November 2017 meeting, the Monetary Policy Committee (MPC) raised rates for the first time in 10-years – by 0.25%, in effect reversing the stimulus rate-cut introduced following the Brexit vote.

The MPC in its latest Inflation Report made some obvious comments around the fact that the UK is going through a period of heightened uncertainty due, particularly, to the unknowns around how the Brexit negotiations will proceed and the likely effect on households and companies. As such there is a wide spread of potential outcomes during the next 18-24 months. There is, therefore, a likelihood of heightened volatility as events actually unfold.

The Council's own forecasts are cautious and in line with a subdued path for increases in Bank Rate; we do not currently see inflation posing a significant threat over the next three years. Our assumptions are based on a 0.25% increase in November 2018 to 0.75%, 1.0% in November 2019 and 1.25% in August 2020. This is much in line with market expectations. Long-term interest rates are at historical lows with 10-year and 25-year Public Works Loan Board rates in the region of 2.2% to 2.7%. Short-term maturities are in the region of 1.5% offering a much smaller cost of carry (this being the difference between the cost of borrowing and the potential re-investment rates). Given a mix of borrowing maturities, the average interest rate on borrowing assumed in the Council's 2018/19 revenue budget is 2.5%

With borrowing rates at historical lows, the borrowing strategy of the Council will be to minimise the impact on the revenue account but recognising that better value is in the 40yr to 50yr range. The Council will therefore take a mix of borrowing maturities over the years reflecting the need for day-to-day cash flow and its longer-term capital investment strategy. The Council, in close co-ordination with its Treasury Management advisers, will monitor medium and long-term interest rates and take any necessary decisions based on the information available to effectively and efficiently fund the capital programme committed to by the Council.

The Council reviews the annual Treasury Management Strategy Statement under the requirement of the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Local Government Act 2003 required the Council to "have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the capital investment plans are affordable, prudent and sustainable". Annex E outlines the Council's prudential indicators for 2018/19 – 2020/21 and sets out the expected treasury management activities for this period. These take account of the Commercial Property Investment Strategy agreed by the Executive on 15 November 2016. It is recommended that the Executive agree the Treasury Management Strategy

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and associated documents and in line with the Code of Practice request that the Governance and Audit Committee review each of the key elements.

c) Provision for Inflation and Pay Awards

The Commitment Budget excludes the cost of inflation on both expenditure and income. In past years, the Council has restricted the provision for inflation on prices as a general economy measure, to help address the underlying budget gap, although pay awards have been fully funded. In the context of the Council's overall financial position, it is again prudent to consider where the provision for inflation on prices can be limited as an economy measure, although some exceptions will be necessary to reflect actual increases that will not be containable without real service reductions or to meet contractual commitments. In particular it will be important to have realistic discussions with key providers about what level of inflation is genuinely necessary on some contracts and placements.

At this stage the inflation provision is not finalised, although for planning purposes a sum of £1.500m (£1.200m 2017/18) has been added to the budget. This will be achieved by:

- Assuming pay awards of no more than 1%;
- Negotiating to minimise inflation on contracts;
- Increasing fees and charges in line with the Council's income policy.

The National Employers made an offer to the unions on pay on 5 December. The proposal is for the majority of staff to receive a 2% pay rise from April 2018 and a further 2% rise in April 2019. To accommodate the introduction of the National Living Wage, the proposal also includes higher increases for staff on scale point 19 or below. Should the pay award be accepted, there would be an additional cost of approximately £0.5m compared to the £1.5m above.

The Council will need to consider where it is appropriate and necessary to provide for inflation over the coming weeks so that the actual inflation provision can be added to the final budget report in February 2018.

d) Fees and Charges

Increases in fees and charges are determined by the overall economic conditions, the willingness of customers to pay the higher charges and continued demand for Council services. The Council policy for fees and charges requires each Department to consider the level of charges against the following criteria:

- fees and charges should aim, as a minimum, to cover the costs of delivering the service;
- where a service operates in free market conditions, fees and charges should at least be set at the market rate;
- fees and charges should not be levied where this is an ineffective use of resources, i.e. the cost of collection exceeds any income generated.

Certain other fees will attract the percentage determined by statute. The proposed fees and charges are included in Annexe D, with the exception of those relating to town centre car parking. The level of increase in some car parks is limited by the agreement for lease on The Avenue car park and no

increase is likely before the Autumn. As such, it is suggested that authority to set town centre car park charges is delegated to the Regeneration Committee.

e) Corporate Contingency

The Council manages risks and uncertainties in the budget through the use of a general contingency added to the Council's budget. Every year the Council faces risks on its budget in relation to demand led services, Business Rates and the general economic climate. The Contingency has been increased by £0.5m to £2.5m as part of the draft budget proposals. This reflects the need to deliver significant savings in-year through the Transformation programmes, some of which are at early stages of implementation, whilst responding to rising service demands.

The Executive will need to make a judgement on the appropriate level of contingency at its February meeting, taking advice from the Borough Treasurer who will need to certify the robustness of the overall budget proposals in the context of the continuing progress on the Transformation Programme and the Council's remaining general and earmarked reserves. All the reserves will be reviewed to ensure that they are sufficient to manage the financial risks facing the Council in the coming years.

Spending on Schools

- 8.9 Changes by the Department for Education (DfE) to the way schools and education in general are funded are now reaching a conclusion and are intended to result in an efficient, simple and predictable funding system that is fair and supports pupils to achieve their potential. As the Council is the 6th lowest funded education authority, the expectation has always been that the most likely outcome for Bracknell Forest schools would be a funding gain.
- 8.10 As part of the process, the Education and Skills Funding Agency (ESFA), the executive agency of the DfE, intends to put in place a Schools National Funding Formula (SNFF) to directly fund all schools thereby reducing the role of councils. The main financial responsibilities remaining with councils would relate to ensuring the needs of vulnerable pupils are met, sufficient school places are available, working with schools to ensure they understand and discharge their safeguarding duties, ensuring fair access through admissions and promoting attendance.
- 8.11 To support the funding reforms, the ringfenced Dedicated Schools Grant (DSG) has been re-structured into 4 different elements; a Schools Block, an Early Years Block; a High Needs Block and a Central Schools Services Block. Each of these blocks has a new formula for allocating funds together with transitional funding protections to enable a measured move to the new arrangements.
- 8.12 In respect of the Schools Block, in December 2016, the DfE published illustrative financial information of the impact on individual schools from the proposed SNFF. For Bracknell Forest schools this showed that over the next 2 years, there would be an increase in overall funding of £3.24m (+5.1%). However in 2018/19, 4 of the smallest schools would receive reductions in funding ranging from 0.2% to 1.3% with 33 experiencing a gain of between 0.2% and 2.9%.
- 8.13 The publication of this data with the potential for reductions in some school budgets, coupled with the outcome from the general election where the government recognised that the electorate were concerned about the overall level of funding for schools as

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well as its distribution, resulted in further changes to school funding from the previous announcements. There would now be an extra £1.3bn funding nationally for schools (£416m in 2018/19 and another £884m in 2019/20) with a guarantee that every school would receive a funding increase. The key elements of the new funding arrangements would be:

- in each of the next 2 years, every schools would receive a minimum per pupil increase of 0.5% and a maximum increase of 3%; and
- a minimum per pupil funding rate in 2018/19 of £3,300 for primary aged pupils and £4,600 for secondary aged pupils, rising to £3,600 and £4,800 in 2019/20

- 8.14 Despite there being an additional £1.3bn of investment in core school budgets, there is no noticeable overall increase in funding allocated to Bracknell Forest schools compared to the December 2016 amount. Whilst there is an increase of £0.263m of funding in 2018/19, this is offset by a similar amount of reduction in 2019/20.
- 8.15 This unwelcome outcome arises because the latest changes guarantee a funding increase to all schools (a minimum of 0.5%) rather than the previous maximum reduction of 1.5%. Thus the additional funding is in general being used to increase funding to the schools that were previously facing a funding cut or relatively low increase.
- 8.16 To assist a smooth transition to the SNFF, councils will continue to use their local funding formula for the next 2 years. Additionally, DfE Regulations do not allow councils to replicate the SNFF and therefore school budgets will always be different to the SNFF. This is likely to be a cause of confusion for schools that will need to be managed.
- 8.17 The Schools Block will also include funding at council level for premises, mobility and centrally managed growth (which includes new school funding for start-up and diseconomy funding), based on historic spend. With Binfield Learning Village (BLV) scheduled to open to secondary aged pupils in September 2018, the cost of supporting new schools will increase from the amount set aside in the 2017/18 budget. A provisional estimate of the likely cost increase next year is £0.555m. This cost needs to be met as a first charge from the total increase in funding, reducing the amount available for existing schools from £1.696m to £1.141m.
- 8.18 The DfE recognise that funding councils based on historic spend for growth will not necessarily predict accurately the amount of funding that will be needed for growth in future. However, it is considered appropriate for 2018/19; with alternative options being considered for the longer term, with a formulaic approach the favoured solution at this stage. There is no timescale for when this will be resolved, or what the new formula may look like, but changes are expected for 2019/20 when there is estimated to be a further cost pressure of £0.479m arising from the effect of BLV being open for a full year.
- 8.19 In terms of funding provided for education related services, from 2017/18, the DfE withdrew the £600m funding source – the Education Services Grant (ESG) - at a cost to the Council of £1.5m. The Council's Transformation Programme is examining a range of additional income opportunities and reduction of costs to ensure relevant services move to an affordable level. Maintained schools agreed to contribute £20 per pupil in 2017/18 and if the same agreement is reached for 2018/19 this will contribute £0.239m to council costs.

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- 8.20 For Early Years funding for 0-4 year olds, 2018/19 is the second year of a new funding framework intended to support the policy objective of enabling more families to work when they want to, by extending the free entitlement to childcare for 3 and 4 year olds from 15 to 30 hours per week. The DfE will provide £1 billion additional funding by 2019/20 to increase provider funding rates to encourage the development of the additional places that will be required from increased take-up. The DfE has yet to confirm final allocations for 2018/19, but based on the original proposals, the expectation is that there will be an increase in per child funding for the Council of 5.8% in 2018/19, which represents an estimated 20.1% increase in the funding rate over 2 years.
- 8.21 Funding for councils to support pupils with special educational needs and disabilities (SEND) from age 0-24 is provided through the High Needs Block. With 50% of the new formula being based on historic spending patterns and with funding protection in place to ensure all councils receive at least a 0.5% increase from their 2017/18 allocations, many councils are experiencing similar funding allocations to last year, and this is the case for Bracknell Forest.
- 8.22 Councils will continue to receive funding for a small number of services that support schools and pupils which fall into the Central Schools Services Block. The distribution will be based on cash protecting a range of defined services that support vulnerable pupils and providing a per pupil amount for the more general services. Bracknell Forest will receive a 1.5% reduction in funding for these services (circa £0.015m), which is the maximum funding can be reduced by.
- 8.23 Taking account of this information, £90.29m of grant income is estimated to be available to the Council for 2018/19 through the specific ring-fenced Dedicated Schools Grant (DSG). This comprises £67.50m for the Schools Block, £7.05m for the Early Years Block, £14.70m for the High Needs Block and £1.04m for the Central Schools Services Block.
- 8.24 The DfE requires councils to confirm the basis on which actual school budgets will be allocated, including per pupil and all other funding rates, by 19 January 2018. To meet this requirement, 2018/19 school budgets will have to be set on the basis of the estimated level of DSG plus any other grants and accumulated balances. The draft budget proposals are prepared on this basis.
- 8.25 In addition to the DSG, schools also receive revenue funding from other specific grants including School Sixth Forms (currently -£4.643m), the Pupil Premium (-£3.345m), Primary PE and Sports Premium (-0.292m) and the Universal Infant Free School Meals Grant (-£1.487m). All of these amounts are subject to change in 2018/19.
- 8.26 There is a tight timescale to agree the Schools Budget, with the DfE expected to release the data that councils must use to set school budgets on the 16 December 2017 and requiring individual 2018/19 school budgets to then be confirmed by 19 January 2018. Setting the overall level of the Schools Budget and the operation of the funding formula that distributes the money to schools is a statutory council function. Agreeing how much is centrally managed is a decision for the Schools Forum. To meet these deadlines, council statutory decisions around the Schools Budget are delegated by the Full Executive to the Executive Member for Children, Young People and Learning. Recommendation 2.3 sets the parameters for the formal decision to be made that the Schools Budget is set at the level of grant received plus any accumulated balances, which ensures that there can be no impact on Council

Unrestricted

Taxpayers. The Executive Member also endorses the decisions of the Schools Forum when these are undertaken in its statutory decision making role.

Summary

- 8.27 Adding the draft proposals to the Commitment Budget and taking account of the corporate issues identified above would result in total expenditure of £79.588m as shown in Table 5.

Table 5: Summary of proposals:

	£'000
Commitment Budget	83,153
Budget Pressures	5,333
Budget Economies	-2,935
Capital Programme	40
Inflation Provision	1,500
Change in Contingency	500
Reversal of the one-off transfer into the Business Rates Equalisation Reserve (BRER) for the Collection Fund - Business Rates surplus in 2016/17	-9,113
Recurring transfer of Business Rates income into the BRER	250
Reduction in New Homes Bonus 2018/19	932
Additional Improved Better Care funding	-62
Draft Budget Requirement 2018/19	79,598

- 8.28 Without the Provisional Finance Settlement, assumptions have had to be made on the level of grant income. It has been assumed that the Council can anticipate income of up to -£74.787m. This arises from Revenue Support Grant and Business Rates baseline funding (-£20.669m) and Council Tax at the 2017/18 level (-£54.118m).

- 8.29 With the potential overall cost of the budget package being consulted on in the region of £79.598m, this leaves a potential gap of around £4.811m. Members can choose to adopt any or all of the following approaches in order to bridge the remaining gap:

- an increase in Council Tax;
- an appropriate contribution from the Council's revenue reserves, bearing in mind the Medium Term Financial Strategy;
- identifying further expenditure reductions.

9 RESERVES

- 9.1 The Council has an estimated £8.5m available in General Reserves at 31 March 2018. Details are contained in Table 6.

Table 6: General Reserves as at 31 March 2018

	£m
General Fund	11.1
Planned use in 2017/18	(2.6)
Estimated Balance as at 31 March 2018	8.5

- 9.2 The Council has, in the past, planned on maintaining a minimum prudential balance of £4m. This assessment is based on the financial risks which face the Council and the Borough Treasurer considers these in the February report to the Executive at which a final decision on the use of balances can be taken, taking account of the financial position likely to face the Council over the next five years.

10 CONCLUSION

- 10.1 The Council's constitution requires a consultation period of at least six week on the draft budget proposals. In this context, it is inevitable that, of the broad range of options proposed for consultation, not all will necessarily be included in the final budget package. It is also likely that some further issues with a financial impact will arise between now and February. When the Final Settlement is known, the Executive can consider the prudent use of revenue balances to support expenditure in line with the overall medium term financial strategy, along with any further expenditure reductions.
- 10.2 It is suggested, therefore, that the normal process whereby the Overview & Scrutiny Commission reviews the overall budget package and determines whether any specific issues should be considered further by the Overview and Scrutiny Panels at their meetings in January, is followed. The proposals will also be placed on the Council's website for public consultation.
- 10.3 All comments from the Overview & Scrutiny Commission, Overview and Scrutiny Panels and all others will then be submitted to the Executive on 13 February 2018. This will allow the Executive to determine the final budget package and recommend the appropriate Council Tax level to the Council on 28 February 2018.

11 BUDGET MONITORING 2017/18- VIREMENT REQUEST

- 11.1 A virement is the transfer of resources between two budgets but it does not increase the overall budget approved by the Council. Financial Regulations require formal approval by the Executive of any virement between £0.050m and £0.100m and of virements between departments of any amount. Full Council approval is required for virements over £0.100m. During 2017/18 a number of virements have been identified which require the approval of the Executive. These have been previously reported to the Corporate Management Team which recommends them to the Executive for approval. They have been included in the Quarterly Service Reports. Details of virements between departments are set out in Annexe F. Details of internal departmental virements exceeding £0.050m are set out in Annexe G.

12 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 12.1 Nothing to add to the report.

Borough Treasurer

- 12.2 The financial implications of this report are included in the supporting information.

Equalities Impact Assessment

- 12.3 The Council's final budget proposals will potentially impact on all areas of the community. A detailed consultation process is planned in order to provide individuals and groups with the opportunity to comment on the draft proposals. This will ensure that in making final recommendations, the Executive can be made aware of the views of a broad section of residents and service users. A number of the budget proposals require specific equality impact assessments to be carried out and draft versions of these are attached in Annexe H. Consultation with equalities groups that are likely to be affected by the proposal is part of the assessment process.

Strategic Risk Management Issues

- 12.4 A sum of £2.5m is currently included in the draft proposals to meet the costs of unpredictable or unforeseen items that would represent in year budget risks. The Executive will need to make a judgement on the level of Contingency at its meeting in February.
- 12.5 The Borough Treasurer, as the Council's Chief Finance Officer (Section 151 Officer), must formally certify that the budget is sound. This will involve identifying and assessing the key risk areas in the budget to ensure the robustness of estimates and ensuring that appropriate arrangements are in place to manage those risks, including maintaining an appropriate level of reserves and Contingency. This formalises work that is normally undertaken each year during the budget preparation stages and in monthly monitoring after the budget is agreed. The Borough Treasurer will report his findings in February, when the final budget package is recommended for approval.

13 CONSULTATION

Principal Groups Consulted

- 13.1 The Overview & Scrutiny Commission will be consulted on the budget proposals and may also choose to direct specific issues to individual overview and scrutiny panels. Targeted consultation exercises will be undertaken with business rate payers, the Schools Forum, town and parish councils and voluntary organisations. Comments and views will be sought on both the overall budget package and on the detailed budget proposals. In addition, this report and all the supporting information are publicly available to any individual or group who wish to comment on any proposal included within it. To facilitate this, the full budget package will be placed on the Council's web site at <http://consult.bracknell-forest.gov.uk/portal>. There will also be a dedicated mailbox to collect comments.
- 13.2 The timetable for the approval of the 2018/19 Budget is as follows.

Executive agree proposals as basis for consultation	19 December 2018
Consultation period	20 December 2017 - 30 January 2018
Executive considers representations made and recommends budget.	13 February 2018
Council considers Executive budget proposals	28 February 2018

Background Papers

None

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Commitment Budget excluding Transformation Savings 2018/19 to 2020/21

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Resources				
Approved Budget	13,554	11,370	11,390	11,484
Borough Elections			123	
Residents Survey		29	-29	
Revenue impact of 2017/18 Capital Programme - ICT costs		69		
Review of Personal Assistants		-78		
Net Inter Departmental Virements	-2,184			
Resources Adjusted Budget	11,370	11,390	11,484	11,484
Non Departmental / Council Wide				
Approved Budget	4,359	6,599	8,812	9,375
Minimum Revenue Provision		509	221	87
Increase in employers Pension Fund contributions		330	330	330
Interest on External Borrowing		779	12	
Transition Grant		914		
Town Centre Business Rates Growth		-750		
2017/18 Capital Programme (Full Year Effect) - Interest		405		
2017/18 Use of Balances (Full Year Effect) - Interest		26		
Net Inter Departmental Virements	2,240			
Non Departmental / Council Wide Adjusted Budget	6,599	8,812	9,375	9,792
TOTAL BUDGET	17,969	20,202	20,859	21,276
Change in commitment budget		2,233	657	417

Commitment Budget - Transformation Savings 2018/19 to 2020/21

	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000
Resources				
Council Wide Support Services	-500	-311		
Easthampstead House		-300	-100	
Resources Total	-500	-611	-100	0
Non Departmental / Council Wide				
Commercial Property Investment Strategy	-1,000	-1,000	-1,000	
Council Wide Support Services - Business Intelligence		-29	-18	
Non Departmental / Council Wide Total	-1,000	-1,029	-1,018	0
TOTAL TRANSFORMATION PROGRAMME SAVINGS	-1,500	-1,640	-1,118	0
Overall Change in Commitment Budget		593	-461	417
Total Budget including Transformation Savings		18,562	18,101	18,518

Movements

Resources	-591	-6	0
Non Departmental/Council Wide	1,184	-455	417
	593	-461	417

Description of Commitment Budget Items for 2018/19 to 2020/21

Department and Item	Description
Resources	
Borough Elections	Borough Elections were held in May 2015 and the budget will therefore not be required again until May 2019.
Residents Survey	The Council commission Qa Research to carry out a biennial survey of residents in the Borough in order to help guide future policies. Undertaken in 2016/17, it is next due in 2018/19.
Revenue impact of 2017/18 Capital Programme – ICT costs	Additional annual support and maintenance costs for maintaining the network following a refresh of ICT infrastructure to ensure equipment is both current and supportable.
Review of Personal Assistants	A reduction in the number of posts across the Council following a review of PA support.
Non Departmental / Council Wide	
Minimum Revenue Provision	The change in the principal repayment on loans used to finance capital expenditure.
Increase in employers Pension Fund contributions	Increase in payments required to meet prior year deficits.
Interest on External Borrowing	Interest on borrowing required to finance the Council's Capital Programme.
Transition Grant	Transition Grant ceases to be payable in 2018/19.
Town Centre Business Rates Growth	Additional Business Rates income arising from the regeneration of the Town Centre.
Savings approved by Council on 13 July 2016	Further savings approved after the 2016/17 budget was set to reduce the use of balances in 2016/17 and to contribute to the budget gap in future years.
2017/18 capital programme (full year effect) -Interest	The full year effect of the additional interest arising from the funding of the 2017/18 capital programme.
2017/18 use of balances (full year effect) -Interest	The full year effect of the additional interest arising from the use of balances in 2017/18.
TRANSFORMATION RELATED	
Resources	
Council Wide Support Services	Full year effect of savings resulting from the transformation project reviewing support services.
Easthampstead House	Savings generated from vacating Easthampstead House.

Department and Item	Description
Non Departmental / Council Wide	
Commercial Property Investment Strategy	Additional income from the investment in Commercial Property.
Council Wide Support Services - Business Intelligence	Savings arising from the review of the Business Intelligence function across the Council.

RESOURCES

Description	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>Member Services</p> <p>The Information Commissioner's Office requires all members to be registered as a data controller.</p>	1		
<p>ICT</p> <p>Annual subscription for Microsoft software licencing's set out in the 3-year Microsoft Enterprise Agreement (£365,000).</p> <p>The Council's internet capacity needs expanding to allow for the use of cloud products (£15,000).</p> <p>The ICT Help Desk system is being replaced to allow for more flexibility and self-service. The new system will be purchased as Software as a Service (SaaS) on a subscription basis (£25,000).</p> <p>Increased cost of support contracts to cover maintenance of network equipment (£6,000).</p> <p>Additional licences need to be bought for load balancers for moving AD/Exchange into the cloud (£8,000).</p>	419		
<p>HR</p> <p>There has been an increase in the cost of the new Occupational Health contract which came into effect in July 2017 (£15,000).</p> <p>Due to increased staff turnover across the Council, but particularly in Children's and Adult's Social Care there is a pressure on the budget for DBS checks. Whilst we will be reviewing the requirement of which posts are to be checked, there is no expectation that turnover levels will reduce in the short term (£10,000).</p> <p>We have a number of posts that are hard to recruit to. Advertising on LinkedIn is a cheaper alternative to agency and head-hunters. This cost covers 3 licences for a year (£2,000).</p>	27		
<p>HR & Payroll</p> <p>The cost of the different licences for iTrent (£51,000) is split evenly between HR and Payroll. This pressure is in addition to the current licence costs (£13,000).</p>	21		

DRAFT REVENUE BUDGET PRESSURES

Annexe B

<p>The cost of the Northgate licence is required to cover a read only version of the previous payroll system to look up information on previous posts and staff. The total cost is split equally between the HR and Payroll teams (£8,000).</p>			
<p>Digital Services</p> <p>Annual licensing costs for Invotra, a Cloud hosted managed intranet replacement.</p>	8		
<p>Customer Services (Facilities Management)</p> <p>The Secure Waste contract budget was not increased when it was centralised, and has overspent by £10,000 each year. Similar volumes are anticipated in the future.</p>	10		
<p>Customer Services</p> <p>Council Wide license allowing roll out of Booking Bug to unlimited services across the Council (£18,000).</p> <p>Annual licensing costs for MusterPoint the social media management platform (£9,000).</p> <p>Annual licence for Lean Process Modeller Software (£9,000).</p> <p>Council Wide annual licensing costs for the GovDelivery digital communications platform and for the GovDelivery/Firmstep integration (£20,000).</p>	56		
<p>Revenue Services</p> <p>Estimated cost of surcharging on credit card payments which will have to be met by the Council from 1 January 2018.</p>	60		
<p>RESOURCES TOTAL</p>	602	0	0

COUNCIL WIDE

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>Capitalisation of Expenditure</p> <p>With the reduction in expenditure in a number of areas, in particular Highways Maintenance and the outsourcing of a number of leisure sites, identification of expenditure coded to revenue that can legitimately be capitalised is becoming increasingly difficult. The budget target has therefore been reduced.</p>	100		
<p>Apprenticeships and Graduate Trainees</p> <p>The Council is able to access training credits of almost £0.5m each year through the Apprenticeship Levy but needs to fund the salary costs of the individuals being trained. Using some of these training credits to replace 25% of the Council's existing training budgets would free up sufficient funding to employ two trainees under the National Graduate Development Programme, to be based in the Transformation Team, and a further eight Apprentices across the Council (see corresponding saving).</p>	120		
COUNCIL WIDE TOTAL	220	0	0

RESOURCES

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>Members Services & Mayoral Services</p> <p>Providing all agenda papers electronically.</p> <p>The Member Allowances budget as been previously underspent.</p> <p>Pattern for use of the Mayoral car has been consistent for the last two years with two busy Mayors, resulting in an under spend against the budget.</p>	-50		
<p>HR</p> <p>Removal of Sports Centre membership for staff.</p>	-7		
<p>Committee Services & School Appeals</p> <p>A reduction in supplies and services areas where there have been previous underspends. (Print Room Reprographics and Photocopying within Committee Services and Mileage and Refreshments within School Appeals).</p>	-8		
<p>Records and Storage</p> <p>A credit has been received for each of the last two years in relation to the previous year for the Archives Joint Arrangement.</p>	-5		
<p>Electoral Services</p> <p>Reduced requirement for canvassers</p>	-1		
<p>Legal</p> <p>A reduction in Reference Books and Publications budget to reflect previous underspends.</p>	-5		
<p>Finance – Audit</p> <p>A reduction in the number of internal audit days delivered by the Council's external providers (-£10,000).</p> <p>External audit fees continue to reduce in line with the tendering process undertaken previously (-£10,000).</p>	-20		
<p>Operations Unit</p> <p>Due to the re-tender of the Home to School Transport contracts, which came into effect last financial year, a reduction in costs</p>	-185		

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>have been achieved. Alongside this, parents are now asked to contribute towards their child's Post 16 transport. There have also been savings identified with regard to some more expensive routes out of the Borough no longer being required due to pupils moving schools.</p> <p>In addition, income from the hire of vehicles has increased.</p>			
<p>ICT</p> <p>The Cisco Jabber softphone solution will be replaced by Skype for business as part of the Enterprise Agreement (-£20,000).</p> <p>Vasco tokens will now only be required for suppliers as staff are provided with a different solution or 2-factor authentication (-£6,000).</p> <p>Core Client Access Licenses have been terminated as these are no longer required under the Enterprise Agreement (-£40,000).</p> <p>ENGL toolkit replaced by System Centre Configuration Manager, Bcrypt to be replaced by Bitlocker for encryption and Webex no longer required for video conferencing. These are replaced by products under the Enterprise Agreement (-£13,000).</p> <p>McAfee Antivirus replaced by Microsoft Endpoint protection as part of the Enterprise Agreement (-£11,000).</p>	-90		
<p>Assistant Chief Executive</p> <p>A savings following the departure of the Assistant Chief Executive.</p>	-30		
<p>CCC Review – Digital Post Room</p> <p>This saving will be realised by staffing reductions in the post team, and a reduction in the volume of outgoing post as a result of the move to email mailings, using GovDelivery and Gov.UK Notify.</p>	-76		
RESOURCES TOTAL	-477	0	0

COUNCIL WIDE

Description Impact	2018/19 £'000	2019/20 £'000	2020/21 £'000
<p>Citizen & Customer Contact (CCC) Review – Face to Face</p> <p>Changing the way we deal with residents face to face would generate a saving of 1 Full Time Equivalent from Welfare and Housing and Customer Services. However any decision on whether cost saving can be realised could be impacted upon by workload increases due to the implementation of the telephony strategy and service redesign.</p>	-29		
<p>CCC Review – Income Collection</p> <p>New approach to income collection - removal of cash and cheques, and move to automatic set-up of direct debits.</p>	-20		
<p>CCC Review – GovDelivery</p> <p>GovDelivery will replace current posted bulk mailings, brochures and flyers. Examples include:</p> <ul style="list-style-type: none"> • Waste & Recycling annual renewal notices • Libraries "What's On • Community Learning course brochure and newsletters • Fostering and adoption leaflets • Children's Centres communications 	-18		
<p>ICT</p> <p>Replacement of Huddle with Microsoft Share Point which is part of the Enterprise Agreement. Significant configuration is required and work is dependant on progress of other Microsoft products as part of the role out of the Enterprise Agreement.</p>	-15		
<p>Training Budgets</p> <p>Reducing existing training budgets by 25% and replacing with training credits through the Apprenticeship Levy. This will help ensure the Council makes best use of the training credits available and frees up funding to recruit apprentices and trainee posts (see corresponding pressure).</p>	-120		
<p>COUNCIL WIDE TOTAL</p>	-202		

RESOURCES
2018/19 PROPOSED FEES & CHARGES

Service: Legal & Surveyors' Fees

Purpose of the Charge: To contribute to the costs of the service

	2017/18 Budget £'000	Proposed 2018/19 Budget £'000
Income the proposed fees will generate:	149	154

Are concessions available? No

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase
	£.p	£.p	%

Legal & Surveyors' Fees for Property Transactions

New Lease	495*	515	4.0%
Licence to Assign	370	385	4.1%
Contracted Out Lease - fee is dependant on complexity	215/360	225/375	4.3%
License to Alter - fee is dependant upon complexity	215/360	225/375	4.3%
Deed of Variation - fee is dependant on complexity	215/360	225/375	4.3%
Sale of Garages & Freehold Reversions	300	310	3.3%
Letter/Deed of Postponement	135	140	3.7%
Transfer (or hourly rate as appropriate)	350	365	4.3%
Section 106 Agreements	1070**	1,115	4.2%
Processing of subject access requests	11	11***	0.0%

* With discretion for the Borough Solicitor to increase if time recorded costs exceed £515, at a rate of £176 per hour.

** With discretion for the Borough Solicitor to increase if time recorded costs exceed £1,115, at a rate of £176 per hour.

*** Processing of subject access requests is only chargeable until May 2018.

RESOURCES
2018/19 PROPOSED FEES & CHARGES

Service: Electoral Registration

Purpose of the Charge: To Contribute to the costs of the service

	2017/18 Budget £'000	Proposed 2018/19 Budget £'000
Income the proposed fees will generate:	5	2

Are concessions available? No

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase	Proposed Fee (incl VAT)
	£.p	£.p	%	

Electoral Registration				
Certificate of current register	22.00	23.00	4.3	N/A
Certificate of historical registration	44.00	45.00	2.2	N/A
Street Index	23.00	24.00	4.2	N/A
Proof of life/pension certification	10.00	10.42	4.0	12.50

Register of Electors:				
- in data format £1.50 for every 1,000 entries of part thereof plus the current fee#	20.00	20.00	0.0	
- in paper format £5 for each 1000 entries or part thereof plus the current fee#	10.00	10.00	0.0	
Register of Overseas Electors:				
- in data format £1.50 for every 1000 entries or part thereof plus the current fee#	20.00	20.00	0.0	
- in paper format £5 for each 1000 entries or part thereof plus the current fee#	10.00	10.00	0.0	
Marked copy of the Register of Electors:				
- in data format £1 for every 1000 entries or part thereof plus the current fee#	10.00	10.00	0.0	
- in paper format £2 for each 1000 entries or part thereof plus the current fee#	10.00	10.00	0.0	
# These are statutory charges that are determined nationally through legislation.				

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase	Proposed Fee (Inc VAT)
	£.p	£.p	%	£.p

Household Delivery				
Delivery Administration fee:				
- across more than half of the Borough	195.00	200.00	2.6	240.00
- across less than half of the Borough	145.00	150.00	3.4	180.00
Plus charges per leaflet/property				
-rural properties per leaflet/property	0.22	0.23	4.5	0.28
-urban properties per leaflet/property	0.17	0.18	5.9	0.22
-each additional leaflet (both urban and rural)	0.04	0.04	0.0	0.05
<i>Charges may increase depending on the size and weight of the documents</i>				

The Household Delivery Service has been reviewed to ensure that the fees and charges cover the cost of providing the service.

RESOURCES
2018/19 PROPOSED FEES & CHARGES

Service: Registration of Births, Deaths and Marriages Services

Purpose of the Charge: To Contribute to the costs of the service

	2017/18 Budget £'000	Proposed 2018/19 Budget £'000
Income the proposed fees will generate:	190	190

Are concessions available? No, but a variety of services provided at differing prices.

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase	Proposed Fee (Inc VAT)	2019/20 Proposed Fee (Inc VAT)	Increase
	£.p	£.p	%	£.p	£.p	%

Change of Name Service

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase	Proposed Fee (Inc VAT)	2019/20 Proposed Fee (Inc VAT)	Increase
	£.p	£.p	%	£.p	£.p	%
Adult	41.67	45.83	10.0	55.00	56.00	1.8
- Additional deed purchased at time of appointment	8.33	10.42	25.0	12.50	13.00	4.0
- Copy of archived deed	14.58	16.67	14.3	20.00	21.00	5.0
Child	45.83	50.00	9.1	60.00	62.00	3.3
- Additional deed purchased at time of appointment	8.33	10.42	25.0	12.50	13.00	4.0
- Copy of archived deed	14.58	16.67	14.3	20.00	21.00	5.0

Marriage and Civil Partnership Ceremonies

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase	Proposed Fee (Inc VAT)	2019/20 proposed Fee (Exc. VAT)	Increase
	£.p	£.p	%	£.p	£.p	%
New Licence	1,950.00	2,100.00	7.7	n/a	2,200.00	4.8
Licence Renewal	1,650.00	1,800.00	9.1	n/a	1,900.00	5.6
Notice of Intent fee for marriage and civil partnership ceremonies at the Register Office#	35.00					
Notice of Intent fee for marriage and civil partnership away from the Register Office (<i>includes fee for entry in marriage notice book</i>):						
- for a housebound person#	82.00					
- for a detained person#	103.00					
Attendance of Registrar for a marriage or civil partnership:						
- at a registered building#	86.00					
- of a housebound person#	81.00					
- of a detained person#	88.00					
Attendance of Superintendent Registrar for a marriage or civil partnership:						
- of a housebound person#	84.00					
- of a detained person#	94.00					
Attendance of Superintendent Registrar for a ceremony at approved premises						
- Monday - Thursday	400.00	450.00	12.5	N/A	475.00	5.6
- Friday - Saturday	450.00	550.00	22.2	N/A	575.00	4.5
- Sunday/Bank Holiday	550.00	600.00	9.1	N/A	625.00	4.2
NEW - Attendance of celebrant for a venue other than the Haversham Room						
Monday - Thursday	N/A	375.00	-	450.00	475.00	26.7
Friday - Saturday	N/A	458.33	-	550.00	575.00	25.5
Sunday/Bank Holiday	N/A	500.00	-	600.00	625.00	25.0

Note - Appointment fees will be taken at the time of booking

RESOURCES
2018/19 PROPOSED FEES & CHARGES

Marriage and Civil Partnership Ceremonies (Cont)

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase	Proposed Fee (Inc VAT)	2019/20 proposed Fee (incl VAT where applicable)	Increase
	£.p	£.p	%	£.p	£.p	%
NEW - Marriage or Civil Partnership in the Haversham Room (includes Superintendent Registrar's and Registrar's attendance)						
Monday - Thursday	N/A	300.00	N/A	N/A	350.00	16.7
Friday - Saturday	N/A	400.00	N/A	N/A	450.00	12.5
Sunday/Bank Holiday	N/A	500.00	N/A	N/A	550.00	10.0
NEW - Other ceremonies in the Haversham Room (includes celebrant's attendance)						
Monday - Thursday	N/A	250.00	N/A	300.00	350.00	40.0
Friday - Saturday	N/A	333.33	N/A	400.00	450.00	35.0
Sunday/Bank Holiday	N/A	416.67	N/A	500.00	550.00	32.0
Pre-ceremony chat appointments						
Daytime Monday - Friday	17.50	20.00	14.3	N/A	21.00	5.0
Evening Monday - Friday	N/A	30.00	-	N/A	31.00	3.3
Marriage or Civil Partnership Ceremony in the Register Office	46.00					
Attendance of Superintendent Registrar for a civil partnership conversion to a marriage at the Register office#	45.00					
Attendance of Superintendent Registrar for a civil partnership conversion to a marriage at a registered building#	46.00					
Application to convert a Civil Partnership to a marriage#	27.00					
Attendance of Superintendent Registrar for a civil partnership conversion to a marriage:						
- of a housebound person #	99.00					
- of a detained person#	117.00					
- of a seriously ill person not expected to recover#	15.00					
Note - Appointment fees will be taken at the time of booking						

These are statutory charges that are determined nationally through legislation. There are a number of additional statutory charges available on request

RESOURCES
2018/19 PROPOSED FEES & CHARGES

Service: Democratic Services

Purpose of the Charge: To Contribute to the costs of the service

	2017/18 Budget £'000	Proposed 2018/19 Budget £'000
Income the proposed fees will generate:	0	0
Very few requests are made for agendas and the income budgets are below £1,000		

Are concessions available? Agendas are available online at no charge.

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase
	£.p	£.p	%

Council Publications

Agendas/Minutes, etc			
Council agenda – Charge per Annum (Based on 8 per Annum)	170.00	175.00	2.9
Executive Agenda – Charge per Annum (based on 11 per Annum)	255.00	260.00	2.0
Planning Committee (based on 12 per Annum)	255.00	260.00	2.0
Any other Committee or Sub Committee Agendas			
Charge per Annum (Based on 4 per annum)	122.00	125.00	2.5
Charge per single copy	32.00	33.00	3.1
Part extract (any Committee) including background papers - administration fee	12.00	12.50	4.2

Service: Democratic Services

Purpose of the Charge: To Contribute to the costs of the service

	2017/18 Budget £'000	Proposed 2018/19 Budget £'000
Income the proposed fees will generate:	3.2	2

Are concessions available? No

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase	Proposed Fee (Inc VAT)
	£.p	£.p	%	

Appeals Service

Charges to Schools for administration and clerking of appeals				
Up to 5 appeals and 2 ombudsman cases a year for three years	N/A	600.00		720.00
Up to 10 appeals and 2 ombudsmen cases a year for three years	N/A	900.00	-	1080.00
Additional appeal once the maximum has been reached	N/A	1,680.00	-	2016.00
Charge for unscheduled occasional appeals	260.00	270.00	2.0	324.00
	260.00	270.00	2.0	324.00

RESOURCES
2018/19 PROPOSED FEES & CHARGES

Service: Democratic Services

Purpose of the Charge: To Contribute to the costs of the service

	2017/18 Budget £'000	Proposed 2018/19 Budget £'000
Income the proposed fees will generate:	0.0	0.0

Are concessions available? No

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase	Proposed Fee (Inc VAT)
	£.p	£.p	%	£.p
STANDARD OTHER CHARGES FOR DEMOCRATIC & REGISTRATION				
These are chargeable in addition or as default to recover actual costs for				
Invoice Charge	25.00	25.00	0.0	30.00
Hourly Rate	57.00	57.00	0.0	68.40
Minimum Charge	31.00	31.00	0.0	37.20
Photocopying Charges				
A4 B&W	0.27	0.27	0.0	0.32
A3 B&W	0.43	0.43	0.0	0.52
A4 Colour	0.83	0.83	0.0	1.00
A3 Colour	1.55	1.55	0.0	1.86

Service: Education Transport

Purpose of the Charge: To contribute to the costs of the service where there is spare capacity on an existing route.

	2017/18 Budget £'000	Proposed 2018/19 Budget £'000
Income the proposed fees will generate:	0.1	0.1

Are concessions available? No

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase
	£.p	£.p	%
Home to School Travel			
<i>Farepayer fees per term on existing routes</i>			
Lost Passes	20.00	20.00	0.0

RESOURCES
2018/19 PROPOSED FEES & CHARGES

Service: Town Centre Management

Purpose of the Charge: To contribute to the costs of the service

	2017/18 Budget £'000	Proposed 2018/19 Budget £'000
Income the proposed fees will generate:	44	44

Are concessions available? Yes, Community groups and local charities pay a reduced cost - non refundable admin fee only (£50)

Description	Current Fee (Exc VAT)	Proposed Fee (Exc VAT)	Increase	Proposed Fee (Inc VAT)
All commercial activity in the town centre is going to be booked via our commercialisation contractor. There are no set fees as each proposal is considered on a case by case basis				

**TO: THE EXECUTIVE
19 DECEMBER 2017**

**CAPITAL PROGRAMME 2018/2019 - 2020/2021
(Borough Treasurer/Chief Executive)**

1 PURPOSE OF DECISION

- 1.1 Under the Council's constitution, the Executive is required to consult on its detailed budget proposals with the Council's Overview & Scrutiny Commission and any other interested parties or individuals for a period of at least six weeks. This report summarises the current position on the Council's Capital Programme budget preparations for 2018/19.
- 1.2 This report draws together each department's proposals so that the Executive can agree a draft capital programme for 2018/19-2020/21 as the basis for consultation. In compiling the draft programme the main focus is inevitably on determining the requirements for 2018/19, although future year's schemes do also form an important part of the programme.
- 1.3 The financial implications of the recommendations in this report are reflected in the subsequent report on the Council's draft revenue budget. Any revisions to the proposals put forward by each service would also need to be reflected in that report which will also be published as the basis for consultation following the Executive's meeting.

2 RECOMMENDATIONS

That the Executive:

- 2.1 **Approves, for consultation, an initial Council funded capital programme (excluding the Commercial Property Investment Strategy budget) of £10.546m for 2018/19 as set out in paragraph 5.16 and summarised in Annex A, including the new schemes listed in Annexes B – F.**
- 2.2 **Approves, for consultation, the inclusion of an additional budget of £1m for Invest-to-Save schemes.**
- 2.3 **Approves, for consultation, the inclusion of £3.48m of expenditure to be funded from S106 as outlined in paragraph 5.19.**
- 2.4 **Approves, for consultation, the inclusion of £13.850m of expenditure to be externally or self funded as outlined in paragraph 5.19.**
- 2.5 **Waive the Contract Standing Order (CSO) requirements relating to the Procurement Plan, Competition and Advertising elements for the procurement of offsite road works at the Blue Mountain development, the details of which are set out below (paragraph 5.26) and agree the appointment of Ringway (an existing BFC Term contractor) for the delivery of these works**

3 REASONS FOR RECOMMENDATIONS

- 3.1 The reasons for the recommendations are set out in the report.

4 ALTERNATIVE OPTIONS CONSIDERED

4.1 The alternative options are considered in the report.

5 SUPPORTING INFORMATION

Capital Resources

5.1 Each year the Council agrees a programme of capital schemes. In the past these schemes have been funded from three main sources:

- the Council's accumulated capital receipts
- Government Grants
- other external contributions

5.2 The Council's total usable capital receipts at 31st March 2017 are zero. The Council is partly reliant on capital receipts and other contributions to fund its capital programme, although interest generated from capital receipts can also help support the revenue budget in the short term – however with investment rates at historic lows it makes more economic sense to offset borrowing.

5.3 The proposed capital programme for 2018/19 has been developed, therefore, on the assumption that it will be funded by a combination of Government grants, other external contributions and borrowing in addition to capital receipts. Historically capital receipts have averaged around £5m per annum – however this has largely been made up of the VAT and Right-to-Buy sharing agreement contributions from Bracknell Forest Homes – these schemes have now ended. However receipts from two large sites and CIL contributions should enable £8m of the capital programme to be funded from receipts. Internal resources will be used in the first instance and borrowing from external sources (e.g. the PWLB) will be used when necessary. The financing costs associated with the General Fund Capital Programme have been provided for in the Council's revenue budget plans which also appear on tonight's agenda.

New Schemes

5.4 Within the general financial framework outlined above, Service Departments have considered new schemes for inclusion within the Council's Capital Programme for 2018/19 – 2020/21. Given that both capital and revenue resources are under pressure, each Department has evaluated and prioritised proposed schemes into broad categories in line with the Council's Asset Management Plan. Having done this, only the very highest priority schemes and programmes are being recommended for inclusion in the Capital Programme.

Other Unavoidable & Committed schemes

5.5 This category covers schemes which must proceed to ensure that the Council is not left open to legal sanction and includes items relating to health and safety issues, new legislation etc. Committed schemes also include those that have been started as part of the 2017/18 Capital Programme. Also included within this category are those schemes that were previously funded from the General Fund Revenue Account, but which by their nature could be legitimately capitalised, thereby reducing pressure on the revenue budget. Schemes in this category form the first call on the available capital resources.

Maintenance (Improvements and capitalised repairs)

- 5.6 An assessment has been made of the condition of the Council's property assets to arrive at an estimate of the outstanding maintenance works required. An assessment is made of the state of each building element and its repair priority with a condition rating and repair urgency.
- 5.7 The figures below are based on the information held in the Construction and Maintenance Groups' property management system. They have been adjusted to exclude those works that are already budgeted for within existing 2018/19 schools and corporate planned maintenance programmes.

The priorities can be broken down as follows:

Maintenance Backlog

		£ (000)	£ (000)
Schools	Priority 1C & 1D	2,245	
	Priority 2C & 2D	8,028	
	Lower Priorities	24,478	34,751
Corporate Properties	Priority 1C & 1D	1,640	
	Priority 2C & 2D	2,107	
	Lower Priorities	11,894	15,641
Total		<u>50,392</u>	

- 5.8 The overall maintenance liability has reduced from £54.6m in 2017/18 to £50.4m. The last couple of years have seen large increases in building costs however this has been offset by previous maintenance programmes and the rationalisation of council properties.

Schools

- 5.9 Historically the Schools Maintenance Programme has been funded from the Capital Maintenance grant allocation from the Department for Education (DfE). The indicative allocation from the DfE for 2018/19 of £1.912m will be used to tackle the highest priority items identified in the condition surveys indicated above.

Non-schools

- 5.10 From an initial analysis of the work required it is clear that some works, whilst urgent, cannot be legitimately capitalised and must be met from a revenue budget. An allowance of £200,000 is available in the 2018/19 Revenue Budget proposals to meet these liabilities.
- 5.11 In line with the policy adopted last year the Asset Management Group has considered only those works that fall within categories 1C and 1D. Given the financial constraints on both the revenue and capital budgets an allocation of £1.125m is recommended to address the most pressing 1C & 1D priorities.
- 5.12 The implications of failing to maintain Council buildings and to address the backlog will be a significant issue for the Council over the coming years and efforts will be focussed on ensuring that the highest priority items are tackled first, that efficiencies are maximised in the procurement of works and that maintenance which will result in energy efficiencies are undertaken through the invest-to-save programme.

Rolling programmes

- 5.13 These programmes cover more than one year and give a degree of certainty for forward planning schemes to improve service delivery. They make an important contribution towards the Council's established Asset Management Plans.

Other Desirable Schemes

- 5.14 In addition to the schemes identified in the above categories, each service has requested funding for other high priority schemes that meet the needs and objectives of their service. The net cost of schemes which attract partial external funding are included in the schemes put forward.

Invest-To-Save Schemes

- 5.15 These are schemes where the additional revenue income or savings arising from their implementation exceeds the Council's borrowing costs. In the past the Council has allocated £1m per annum to fund potential Invest-to-Save (ITS) schemes that may present themselves during the year

Capital Programme 2018/19 – 2020/21

- 5.16 A summary of the cost of new schemes proposed by Departments is set out in the table below and in Annex A. A detailed list of suggested schemes within the draft capital programme, together with a brief description of each project, for each service is included in Annexes B – F.
- 5.17 The Executive on 21st November 2017 recommended that Council agree a further £30m be approved for investment in commercial property in line with the accepted Commercial Property Investment Strategy. This is included within the overall spending plans below.
- 5.18 Total Council funding for schemes amounts to £10.546m. However excluding the funding for the new Kings Academy School and the Civic Centre Accommodation the total Council funding requested is £5.411m in 2018/19 and this is reflected in the Revenue Budget proposals.

Capital Programme 2018/19-2020/21				
Annex	Service Area	2018/19 £000	2019/20 £000	2020/21 £000
B	Adult Social Care, Health & Housing	8,473	0	0
C	Children, Young People & Learning	8,289	850	250
D	Resources	2,135	70	0
E	Council Wide	32,313	363	388
F	Environment Culture & Communities	6,666	6,465	1,960
	Total Capital Programme	57,876	7,748	2,598
	Less Externally and Self Funded	17,330	5,685	1,475
	Less Commercial Property Investment	30,000	0	0
	Total request for Council funding	10,546	2,063	1,123

Externally Funded Schemes

- 5.19 A number of external funding sources are also available to fund schemes within the capital programme. External support has been identified from two main sources:

Government Grants

A number of capital schemes attract specific grants. It is proposed that all such schemes should be included in the capital programme at the level of external funding that is available.

A significant element of the grant-funded capital programme relates to the planned investment in Schools. The schools investment programme included in this report reflects the highest priority schemes identified by the Department and the Education Capital Programme Board. However as a result in a change to the capital funding formula and the perceived relative need for school places in Bracknell compared to other areas of the country, the Council will receive no Basic Needs Grant in 2018/19. This is the first year this has happened.

However the Council has clear need for investment in school places in the Borough and have identified two schemes that require funding in the coming years and are set out in Annex B. In addition to this Council funding a total of £2.178m will be invested in schools from specific capital grants

A second key constituent of capital grant funding relates to the Highway Maintenance and the Integrated Transport Block totalling £2.089m for 2018/19. A matched funding bid has also been accepted for the work on Downshire Way – this will attract grant of £3.29m to be matched with £1.4m of Council funding and developer contributions.

Section 106 (£3.480m)

Each year the Council enters into a number of agreements under Section 106 of the Town & Country Planning Act 1990 by which developers make a contribution towards the cost of providing facilities and infrastructure that may be required as a result of their development. Usually the monies are given for work in a particular area and/or for specific projects

Officers have identified a number of schemes that could be funded from Section 106 funds in 2018/19, where funding becomes available. These are summarised below

Department	Schemes	Budget
		<i>£000</i>
ASCHH	Edenfield-Stonewater	233
CYPL	Various School Schemes	2,236
ECC	Leisure & Culture	511
ECC	Local Transport Plan	350
ECC	SANGS	150
	Total	3,480

The level of new funding available through Section 106 is expected to reduce in the future following the introduction of the Community Infrastructure Levy (CIL). However the more flexible CIL funding should offset this reduction.

On-going Revenue Costs

- 5.20 Schemes may have associated on-going revenue costs and tend to become payable in the year after implementation. As such will be included within the

Council's Commitment Budget for 2018/19. These total £39,000 and relate to the licence and maintenance contracts associated with the new IT hardware investment.

Funding Options

- 5.21 The Council introduced CIL in April 2015. It is difficult to estimate the potential amount of CIL that will be generated as this will depend on the delivery of additional housing development in the Borough, which is to a large extent outside of the control of the authority. However based on the most recent housing trajectory estimates and knowledge of development schemes that will come forward in the next 18 months, it is estimated that £3m is an appropriate assumption for 2018/19.
- 5.22 The proposed capital programme for 2018/19 has been developed, therefore, on the assumption that it will be funded by a combination of approximately £8m of capital receipts, Government grants, other external contributions and borrowing. The financing costs associated with the Capital Programme have been provided for in the Council's revenue budget plans.
- 5.23 Given the level of investment agreed in 2017/18 and proposed in 2018/19, in particular Binfield Learning Village, the Council is now required to borrow externally. The timing of this will depend on the level of surplus cash held by the Council which will be used in the first instance to fund the Capital Programme commitments. Any external borrowing will require a sum to be set aside Minimum Revenue Position in addition to an interest charge depending on the maturity of the loan.
- 5.24 If any amendments are made to the capital programme, the revenue consequences will need to be adjusted accordingly. Executive Members will therefore need to consider the impact of the capital programme as part of the final revenue budget decisions.
- 5.25 Following the introduction of the Prudential Borrowing regime local authorities are able to determine the level of their own capital expenditure with regard only to affordability on the revenue account. In practice this represents the amount of borrowing they can afford to finance, and will necessitate taking a medium-term view of revenue income streams and capital investment needs.
- 5.26 To achieve its aim of ensuring that capital investment plans are affordable, prudent and sustainable, the Local Government Act requires all local authorities to set and keep under review a series of prudential indicators included in the CIPFA Prudential Code for Capital Finance in Local Authorities. The Capital Programme recommended in this report can be sustained and is within the prudential guidelines. Full Council will need to agree the prudential indicators for 2018/19 to 2020/21 in March 2018, alongside its consideration of the specific budget proposals for 2018/19 and the Council's medium-term financial prospects.
- 5.27 Members will need to carefully balance the level of the Capital Programme in future years against other revenue budget pressures and a thorough review, including the prioritisation of those schemes planned for 2019/20 onwards, will need to be undertaken during next summer.

Other Issues

- 5.28 The Executive on 19 July 2016 approved the award of the Main Works contract to Mace Limited for the construction of the Binfield Learning Village (the new Kings Academy School) and the supporting upgrade works to roads and utilities along with the updated procurement plan.

- 5.29 The construction of the new school is well underway and remains on time and within the allocated budget. The school is due to open in September 2018. The contract administration by the Council requires continual monitoring of the contractor's performance, programme of works, cost analysis and risk management.
- 5.30 Offsite road works (consisting of Wood Lane improvements, new toucan crossing on Temple Way, Popeswood Roundabout improvements, new northern car park and associated junction works) are an important element of the project deliverables. In accordance with the planning permission for the project and the associated conditions, the off-site road works need to be completed by the Council prior to occupation of the school buildings and dwellings.
- 5.31 On analysis of Mace's updated cost submission for the scope of works for Wood Lane improvements and the risk of delay to the completion (which would trigger extension of time claims by the contractor), it is prudent to omit the offsite road works from Mace's works contract and in its place appoint Ringway (Bracknell Forest Council's term contractor for highways works) to undertake the design and construction works. The estimated value of the works for Ringway to deliver the road improvements is c. £956k including design fee but excluding S278 fee and overhead and loss for Mace.
- 5.32 Works over £400k require Executive approval under the Contracting Standing Order (CSO). Hence, a waiver to the CSO is requested from the Executive for changing contractors from Mace (school works contractor) to Ringway (BFC term contractor) for delivering the offsite road works.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Borough Solicitor

- 6.1 The authorisation for incurring capital expenditure by local authorities is contained in the legislation covering the service areas. Controls on capital expenditure are contained in the Local Government Act 2003 and regulations made thereunder.

Borough Treasurer

- 6.2 The financial implications are contained within the report.

Equalities Impact Assessment

- 6.3 The Council's final budget proposals will potentially impact on all areas of the community. A detailed consultation process is planned in order to provide individuals and groups with the opportunity to comment on the draft proposals. This will ensure that in making final recommendations, the Executive can be made aware of the views of a broad section of residents and service users. Where necessary, impact assessments on specific schemes within the capital programme will be undertaken before work commences.

Strategic Risk Management Issues

- 6.4 The most significant risk facing the Council is the impact of the capital programme on the revenue budget. The scale of the Council's Capital Programme for 2018/19 will impact upon the revenue budget and will itself be subject to consultation over the coming weeks. All new spending on services will need to be funded from new capital receipts or borrowing from internal resources. This effect is compounded by future year's capital programmes. As revenue resources are limited it is clear that a capital programme of this magnitude is not sustainable in the medium term without significant revenue economies. The generation of capital receipts in future years

may mitigate the impact on the revenue budget, but as the timing and scale of these receipts is uncertain their impact is unlikely to be significant.

- 6.5 There are also a range of risks that are common to all capital projects which include:
- Tender prices exceeding the budget
 - Planning issues and potential delays
 - Uncertainty of external funding
 - Building delays due to unavailability of materials or inclement weather
 - Availability of staff with appropriate skills to implement schemes
- 6.6 These can be managed through the use of appropriate professional officers and following best practice in project management techniques. The report also identifies the risk associated with the shortfall in maintenance expenditure compared to that identified by the latest condition surveys. With only those highest priorities receiving funding in 2018/19, there will be a further build up in the maintenance backlog and a risk that the deterioration in Council assets will hamper the ability to deliver good services.

7 CONSULTATION

- 7.1 The Overview & Scrutiny Commission will be consulted on the budget proposals and may also choose to direct specific issues to individual overview and scrutiny panels. Targeted consultation exercises will be undertaken with business rate payers, the Schools Forum, town and parish councils and voluntary organisations. Comments and views will be sought on both the overall budget package and on the detailed budget proposals. In addition, this report and all the supporting information are publicly available to any individual or group who wish to comment on any proposal included within it. To facilitate this, the full budget package will be placed on the Council's web site at <http://consult.bracknell-forest.gov.uk/portal>. There will also be a dedicated mailbox to collect comments.
- 7.2 The timetable for the approval of the 2018/19 Budget is as follows.

Executive agree proposals as basis for consultation	19 December 2017
Consultation period	20 December 2017 - 30 January 2018
Executive considers representations made and recommends budget.	13 February 2018
Council considers Executive budget proposals	28 February 2018

Background Papers

None

Contact for further information

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CAPITAL PROGRAMME - BY CATEGORY

	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
Committed	1,540	735	735	3,010
Unavoidable	0	0	0	0
Maintenance	1,125	0	0	1,125
Rolling Programme / Other Desirable	2,746	1,258	388	4,392
Town Centre Highway Works	0	0	0	0
Council Funding	5,411	1,993	1,123	8,527
Commerical Property Investment Strategy	30,000	0	0	30,000
Civic Centre Accomodation	2,135	70	0	2,205
Binfield Learning Village	3,000	0	0	3,000
Total Council Funding	40,546	2,063	1,123	43,732
Total External Funding	17,330	5,685	1,475	24,490
Total Capital Programme	57,876	7,748	2,598	68,222

CAPITAL PROGRAMME - ALL DEPARTMENTS

	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
ASCH	8,473	0	0	8,473
CYPL	8,289	850	250	9,389
Resources	2,135	70	0	2,205
Council Wide	32,313	363	388	33,064
ECC	6,666	6,465	1,960	15,091
Total Capital Programme	57,876	7,748	2,598	68,222
External Funding	17,330	5,685	1,475	24,490
Council Funding	40,546	2,063	1,123	43,732

CAPITAL PROGRAMME - COUNCIL WIDE

	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
Committed				
Commerical Property Investment Strategy	30,000	0	0	30000
Capitalisation of Project Management costs	300	300	300	900
	30,300	300	300	30,900
Unavoidable	-	-	-	-
Maintenance				
Buildings Planned Maintenance	1,125	n/a	n/a	1,125
	1,125	-	-	1,125
Rolling Programme / Other Desirable				
Property Review Feasibility	100	-	-	100
IT Schemes (made up of)	788	63	88	939
-----IT Infrastructure	175	15	40	230
-----Members IT Refresh	36	-	-	36
-----Time2Change	-	-	-	-
-----ICT Digital Strategy	537	48	48	633
-----CWSS / Self Service	40	-	-	40
	888	63	88	1,039
TOTAL REQUEST FOR COUNCIL FUNDING	32,313	363	388	33,064
External Funding				
TOTAL EXTERNAL FUNDING	-	-	-	-
TOTAL CAPITAL PROGRAMME	32,313	363	388	33,064

Council Wide

2018/19 Capital Programme Bids

1. Planned Building Maintenance - £1,125,000

Buildings planned maintenance is an annual programme of repairs and maintenance to the Councils' building stock and associated assets. It encompasses a wide range of activities but typically includes the repair or replacement of elements of building fabric, fixtures or fittings that are worn, obsolete or otherwise damaged. The purpose of the work is to maintain the Councils' buildings to a sufficient standard to provide a safe and appropriate environment from which its' various services can operate.

The works included in the programme are identified through a series of condition surveys, which are undertaken on our behalf by external engineers and surveyors. The present arrangement generally allows for each property to be surveyed every five years and we are currently in the final year of our first five year programme. The backlog figures shown in the supporting data have been arrived at following detailed analysis of all of our condition survey records as well as consideration of wider property issues and intentions. As such, based on previous instructions or knowledge of impending project works or disposals, the values of maintenance works to the following properties are not included:

- Bracknell Library
- Bridgewell Centre (Ladybank)
- Commercial Centre
- Coopers Hill
- Easthampstead Park Conference Centre
- Easthampstead House
- Harmans Water Community Centre
- Heathlands Residential and Day Centres
- Time Square*
- Commercial properties let on full repairing leases

With the above properties excluded, the estimated value of the remaining high priority works currently stands at £1.6m.

* Because of the significant works that have been undertaken at Time Square over the last few years, we do not have meaningful condition survey data. The most pressing issue is the condition of the atrium but addressing this is the subject of a separate ongoing project.

The works that are currently of the highest priorities are wide ranging and comprise numerous smaller individual items than in previous years. Whilst development of a detailed programme will be subject to the level of funding approved, the following properties have been identified with high priority works of significant value:

Property	Work Required	Estimated Cost
7 Portman Close	Various works	100,000
Community Centres	Various works	180,000
Shops	Various works	350,000
South Hill Park	Window replacement	35,000
Waterside Park Building C	Flat roof replacement	175,000*
Wick Hill Cottage	Heating system replacement	40,000

* There is the possibility that some of the cost of these works may be recoverable from the buildings' tenants, but see 'Risks' for further details.

2. ICT Schemes - (£788,000)

IT Infrastructure (£175,000)

Proposal to cover a number of ICT Network and Server infrastructure replacements to ensure equipment is both current and supportable. The budget is also to maintain the network and ensure that it has the capacity to serve the business in the forthcoming budget year. The programme will also remove the last remaining Ricoh printers (MFDs) from Time Square and Easthampstead House

When the above devices go end of life, they will no longer receive any software updates including security vulnerability patches, bug fixes, and no faults will be investigated by the manufacturer or their agents. The PSN code of connection forbids the use of unsupported software or hardware on our network and therefore the Council would be at risk of losing its connected status, causing loss of access to key if these devices are not replaced.

Members IT Refresh (£36,000)

Currently BFC Members have mainly two IT solutions: an iPad that provides access to email, calendar, DocsToGo and Modern.gov for committee papers; or a standard laptop with access to the corporate IT network for network drives and files stores. Approximately half of BFC Members do not have an IT device that allows them to access the Modern.Gov application easily. The current Windows 7 devices are not easy to use with Modern.Gov and accessing committee papers is complex.

To enable the members to go paperless at all democratic meetings they will need a new Windows 10 detachable or convertible device. This device has a touch screen which also allows hand written annotations via the stylus pen, allowing members to

easily annotate documents during meetings. In addition the device has camera that could be used for video conferencing.

The iPads have been difficult to support as they do not offer the option of remote control which would enable the help desk to provide support without bringing the device into the office. There is also no control over patches to the operating system by Apple which can impact on the applications on the device meaning they are required to be brought into the office to be fixed or rebuilt. It would also be beneficial and more cohesive if members and staff were using the same operating system.

Upgrading to Windows 10 laptops also means that we can move away from support tools required for Windows 7 devices. Samsung's smartphones can be provided to enable tethering to allow access in the field removing the need for 3G data SIMs. The telephony policy states which members are entitled to this connectivity paid for by the Council.

ICT and Digital Strategy (£537,000)

The enterprise agreement enables BFC to use software but will require additional infrastructure to be supplied and installed, and expertise from consultant partners to support the planning, design and delivery of the elements of the Enterprise Agreement.

A key objective is to replace mobile desktop to support agile and flexible working across the Council. Those staff who did not have mobile kit prior to the consolidation of EH and TS will be provided will mobile desktop equipment.

As at August 2017 there are 4 types of mobile device being provided: Large laptops, Small laptops, Convertible laptop/tablets and Detachable laptop/tablets. All devices have a camera for video conferencing and have a touch screen. Stylus's can be used on the convertible and detachable device.

All flexible users are provided with a softphone solution apart from remote sites which will not have the softphone solution until it is reviewed once Skype replaces Jabber – earliest late 2018. Flexible desks are kitted out with a 29" wide screen, which can be split and display up to 3 pages at once, and universal docking station. Finally, equipment that breaks or is faulty will be replaced.

CWSS / Self Service (£40,000)

Two key areas to be reviewed

- Enhancements to the HR & Payroll system to investigate and implement scope for further integration to continue to work undertaken to date.
- The Service Desk software has been live since 2000 and is showing significant signs of limitations. The ICT Service desk team requires a flexible, future proof software solution which will allow ICT service to progress towards its strategic goals of a self-service solution

CAPITAL PROGRAMME - RESOURCES

	2018/19 £000	2019/20 £000	2020/21 £000	TOTAL £000
Committed				
Civic Accommodation	2,135	70	0	2,205
	<u>2,135</u>	<u>70</u>	<u>0</u>	<u>2,205</u>
Unavoidable				0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Maintenance				
See Council Wide	0	0	0	0
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Rolling Programme / Other Desirable				
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL REQUEST FOR COUNCIL FUNDING	<u>2,135</u>	<u>70</u>	<u>0</u>	<u>2,205</u>
External Funding				
TOTAL EXTERNAL FUNDING	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL CAPITAL PROGRAMME	<u>2,135</u>	<u>70</u>	<u>0</u>	<u>2,205</u>

Resources

2018/19 Capital Programme Bids

No new schemes in 2018/19